




TO: HCC Students, Faculty, Staff, and Administrators

FROM: Dr. Ervin V. Griffin, Sr.   
President/CEO

SUBJECT: William D. Ford Federal Direct Loans

DATE: June 5, 2013

Effective July 1, 2013, the Halifax Community College (HCC) Board of Trustees approved a resolution to **discontinue participation in the William D. Ford Federal Direct Loan Program**. HCC has decided to discontinue participating in the Direct Loan program for the following reasons:

- HCC has experienced increases in the federal Cohort Default Rates in recent years, placing the College at risk of sanctions from the U.S. Department of Education. Due to the risk of sanctions, future participation in the federal Pell Grant could be jeopardized.
- The amount of debt students are incurring may exceed the amount they can afford to repay in the future.
- The College is required to process Direct Loan requests without consideration of a credit worthiness evaluation (credit check).

The goal of the College is to **continue to provide students with access to loans**. Therefore, as an alternative to the Direct Loan program, the College will agree to certify private educational (alternative) loans from any lender the student chooses. The Financial Aid staff will be available to assist students and their families in making informed decisions when choosing alternative loans. In addition, the Business Office of the College will continue to offer a tuition payment plan.

Students who have borrowed in past years are encouraged to meet with a Financial Aid staff member to discuss their options.